

New questions on hydrogen highway

By Tom Elias, Record Searchlight, May 20, 2013 at 6 p.m.

Significant new questions are cropping up about a California Energy Commission program designed to assure there will be enough hydrogen refueling stations to make buying hydrogen fuel cell cars practical when they debut commercially between 2015 and 2017.

One year ago, the commission pulled back more than \$28 million in grants it had tentatively awarded, mostly for installing service station hydrogen pumps in areas where previous innovative cars like gas-electric hybrids were initially most popular.

Now it plans to give millions of state license plate dollars to a company that filed an application last year to put pumps in a station that never agreed to host them.

Last year's grants were canceled and reforms promised just two weeks after this column disclosed that the commission required any site have approval from at least one large automaking company before it could get state grant money. Carmakers, then, were deciding who could get public money. That didn't last long once the arrangement was disclosed, the commission promising new rules.

Most of the canceled grants were

earmarked for two billion-dollar industrial fuel companies — the German-based Linde AG and Pennsylvania-based Air Products and Chemicals Corp. The eight carmakers and both fuel companies, along with the CEC, belonged to the California Fuel Cell Partnership. Membership runs \$87,500 per year and CEC staffers and company executives gather at meetings, meals and other events. That led to charges of collusion and cronyism in the grant process.

The CEC now demands any outfit applying for a hydrogen station grant show some form of agreement with owners of service stations where it proposes to use the money, but said in an emailed statement there was no such requirement in the rules for its 2012 funding.

Among grants approved last year and then pulled back was one for \$1.58 million to Air Products for use at a 76 station on busy Wilshire Boulevard in Beverly Hills. Air Products had not pre-arranged to install pumps there, which, was, remarkably, OK under the rules at the time. Previous CEC rules did demand such agreements and the CEC had not responded at this column's deadline to a request that it explain why the requirement was not in last year's rules.

"We never had any agreement with anyone to install anything here," said Nick W. Miller, operator of the station. So commissioners approved at least one grant with no assurance hydrogen pumps could ever be installed. The CEC says no money would have been spent if no work was done at the site. "No one is paid for work that has not been performed," its statement said.

One industry expert maintains he informed CEC Chairman Robert Weisenmiller of the lack of an agreement in the Wilshire Boulevard case 21 days before the commission in April released its latest list of grants, the first under the new rules.

Air Products was then approved for two new grants totaling more than \$2.99 million. The commission says the expert's voicemails did not mention that firm's lack of an agreement in its prior application, but the caller insists it was the focus of his messages.

"Of course that was the message I left," the industry expert said. "Why else call? And if that's what their system was, you could write down any gas station's name and address, add some technical

stuff and the state would say 'We have a million bucks for you.'"

Despite the commission's strong denial in January that new rules taking automakers out of the decision process still favor grants to the same companies that were in line to get most of last year's funding, the majority of newly approved grant money in fact is earmarked for them. Besides the almost \$3 million set aside for Air Products, Linde is to get \$4.5 million of the \$11.99 million awarded, with a smaller firm getting another \$3 million to build on property owned by Hyundai Corp., a member of the Fuel Cell Partnership.

Weisenmiller declined to say anything about the hydrogen program.

"The Energy Commission is not doing its due diligence," said energy consultant Woodrow Clark, renewable energy advisor to former Gov. Gray Davis and a former longtime scientist at Lawrence Livermore Laboratory.

It adds up to highly questionable grant-giving practices that can only increase public skepticism of how California government passes out tax dollars.

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<http://www.redding.com/news/2013/may/20/tom-elias-new-questions-on-hydrogen-highway/>

California AB 8 Perea and SB 11 Pavley are urgency bills to tax the motorist \$millions to build Hydrogen stations to fill car tanks to 10,000 psi of Hydrogen, absolute insanity--VOTE NO.

CAPP contact: Charlie Peters